

to produce in Canada, provided our own policies and the policies of other countries make it possible for us to trade with them in order to fill that need. It is wrong trade policies, that is, restrictionists, protectionist trade policies, which are the antithesis of our expansionist policies of multilateral world trade, which more than any other single factor would injure our present economic activity and the progress and prosperity which results from it. Trade policy is the ball upon which we must keep our eyes.

Multilateral Foreign Trade is a Vital Factor in Canada's Prosperity and our Nation's Policies should be based upon this Fact.

Sometimes some of our people are alarmed by the extent to which our national economy depends for its vitality upon foreign trade. Certainly if foreign trade is to be feared, we Canadians should be fearful; for, in relation to our size, we are by far the greatest trading nation in the world. Not less than 25 per cent of our production goes into foreign trade. This trade amounted in 1951 to \$8 billion, which was approximately \$561.00 per capital. This is over 3½ times as great as the per capital trade of the United States of \$168.00 or more than 50 per cent more than that of Great Britain at \$369.00.

Yet, some people in Canada argue that the course of our development should be altered, that we should process and finish more of our own raw materials in Canada; and that, for example, rather than export iron ore, we should enlarge the steel-producing capacity of this country. Now, while from our government's deeds it is perfectly clear that we believe in enlarging the steel or any other producing capacity of Canada to the optimum point, we do not by any means agree with the view that we should process all of our raw materials in this country. We have always favoured policies which will increase our foreign trade. We therefore think that these superficially plausible suggestions of greater self-containment, (that is what they really are) would, if adopted, run counter to our whole experience in the development of the Canadian nation to its present prosperity. Our geography and resources are such that we have large exportable surpluses of a certain list of products: wheat, beef, pork, fish, fruit, and other foodstuffs, newsprint, lumber, and forest products, iron ore, non-ferrous metals and other mineral products and the like. We cannot possibly use the total output of these commodities ourselves at our present stage of development. They are only of value to us if we can trade them for products which we need and cannot produce economically for ourselves. There are many such, for we are large importers as well as large exporters.

If, then, we process all our own raw materials and shut out goods which other countries can produce more cheaply than we, we injure Canadian interests in four ways:

First: We destroy markets for our wheat and other foodstuffs, our newsprint, copper, nickel, aluminium and other exportable surpluses. How? By helping to make it impossible for other countries to sell goods and thereby earn the money with which to buy our Canadian surpluses.

Second: We make our own consumers pay through the nose for inefficient and high-cost production in Canada when they could get low-cost production elsewhere. For example, there is no sense in their buying Canadian-grown bananas when they can get better bananas for less money from the tropics, and in the process provide the banana growers with money to buy Canadian surplus products.